

BOARD OF GOVERNORS OF CONCORDIA UNIVERSITY

MINUTES OF A SPECIAL MEETING OF THE BOARD OF GOVERNORS HELD ON
MONDAY, 21ST MARCH, 1983 AT 9:15 A.M. IN ROOM H-769,
HALL BUILDING, SGW CAMPUS

ATTENDANCE: Present were: Mr. W. E. McLaughlin, O.C., Chancellor, Acting Chairman, Dr. R. W. Breen, Prof. C. Gabriel-Lacki, Mr. R. I. Grassby, Dr. S. Hoecker-Drysdale, Dr. M. Laroche, Prof. G. Martin, Ms. S. Murray, Dr. J. W. O'Brien, Mr. J. J. Pepper, Dr. T. S. Sankar, Prof. K. haters, Rev. A. Graham, S.J., Secretary.

Absent with apologies: Mr. M. J. Bourgault, C.M., Dr. J. S. Daniel, Mr. J. Dinsmore, Mr. G. T. Fisher, Mr. R. K. Groome, O.C., Ms. G. Hirsh, Mrs. B. J. Lande, C.M., Mr. Paul E. Martin, Mr. P. M. McEntyre, Mr. D. W. McNaughton, 'Mr. M. B. Mulroney.

Guests: Mr. W. G. McManus, Mr. M. Rochefort.

1. Since the Chairman, Mr. D. W. McNaughton, and the two Vice-Chairmen were unable to be present, it was mutually agreed that Mr. W. E. McLaughlin, Chancellor, would chair the meeting.
2. The Chairman introduced Mr. Marc Rochefort, lawyer, and informed the meeting that the sole item of business was the approval of a \$5 million bond issue designated as Series D Bonds. He asked Mr. Rochefort to address the meeting.
3. Mr. Rochefort briefly explained the nature of the issue and answered one or two questions. It was moved and seconded (Breen, Sankar) and unanimously RESOLVED:

WHEREAS in virtue of the Trust Agreement (the "Principal Trust Agreement"), bearing formal date of May 3, 1976, granted by CONCORDIA UNIVERSITY (the "Corporation") in favour of SOCIETE NATIONALE DE FIDUCIE, as Trustee (the "Trustee"), provisions were made for the creation and issue by the Corporation, under the Principal Trust Agreement, of Bonds of the Corporation (the "Bonds"), without limit as to the maximum aggregate principal amount at any one time outstanding, whereof the issue of five million dollars (55,000,000), principal amount, of 10.50% Series "A" Bonds (the "Series "A" Bonds"), dated May 3, 1976;

WHEREAS in virtue of a First Supplementary Trust Agreement, bearing formal date of May 15, 1978, granted by the Corporation in favour of the Trustee, provisions were made for the creation and issue by the Corporation, under

the Principal Trust Agreement and the First Supplementary Trust Agreement, of three million dollars (\$3,000,000), principal amount, of 9.50% - 10% Series "B" Bonds (the "Series "B" Bonds"), dated May 15, 1978;

WHEREAS in virtue of a Second Supplementary Trust Agreement, bearing formal date of October 26, 1981, granted by the Corporation in favour of the Trustee, provisions were made for the creation and issue by the Corporation, under the Principal Trust Agreement and the First and Second Supplementary Trust Agreements, of five million dollars (\$5,000,000), principal amount of 18.50% Series "C" Bonds (the "Series "C" Bonds"), dated October 26, 1981;

WHEREAS no other Bonds have been issued under the terms of the Principal Trust Agreement and of the two Supplementary Trust Agreements;

WHEREAS the Corporation intends to create and issue, under the terms of the Principal Trust Agreement and of the two Supplementary Trust Agreements, FIVE MILLION DOLLARS (\$5,000,000), principal amount, of Additional Bonds, to be designated as "11.50% Series "D" Bonds" (the "Series "D" Bonds"), and to establish the terms and conditions thereof by a Supplementary Trust Agreement (the "Third Supplementary Trust Agreement");

THAT the creation and issue, pursuant to the provisions of the Principal Trust Agreement and of the two Supplementary Trust Agreements, of five million dollars (\$5,000,000), principal amount, of Additional Bonds, to be designated as "11.50% Series "D" Bonds" (the "Series "D" Bonds"), dated March 22, 1983, be and is hereby authorized, the whole subject to the terms and conditions of the draft of the Third Supplementary Trust Agreement referred to herein;

THAT the Series "D" Bonds shall be substantially in the forms set out in the First Schedule of the Third Supplementary Trust Agreement; shall be dated as of March 22, 1983; shall bear interest, as well after as before maturity, at the rate of 11.50% per annum, from March 22, 1983, with regard to Coupon Series "D" Bonds, and, with regard to Fully Registered Series "D" Bonds, from March 22, 1983 or from the date of registration thereof, if it be March 22 or September 22, and otherwise, from March 22 or September 22 next preceding the date of registration thereof, payable semi-annually, on the twenty-second (22nd) day of the months of March and September in each year, the first interest payment date to be September 22, 1983, together with interest on all overdue interest at the

same rate, computed semi-annually, from its due date until actual payment; shall not be redeemable prior to maturity at the sole option of the Corporation, but may nevertheless be purchased by it by mutual agreement; and shall mature on March 22, 1988;

THAT the Series "D" Bonds shall be issued in the form of Coupon Bonds, registrable as to principal only, in denominations of \$1,000, \$5,000 and \$25,000, and in the form of Fully Registered Bonds, in denominations of multiples of \$1 000, but which must not be less than \$5,000

THAT Coupon Series "D" Bonds issued in denominations of \$5,000 and \$25,060 may be exchanged at any time without charge, for an equal aggregate principal amount of Coupon Series "D" Bonds issued in the denomination of \$1,000; that Fully Registered Series "D" Bonds of any authorized denomination may be exchanged at any time, without charge, for an equal aggregate principal amount of Fully Registered Series "D" Bonds of any other authorized denomination; that Fully Registered Series "D" Bonds of any authorized denomination may be exchanged at any time without charge, for an equal aggregate principal amount of Coupon Series "D" Bonds issued in the denomination of \$1,000, subject to three (3) weeks prior written notice from the holder to the Trustee; that, in every case of exchange, the Series "D" Bond or Series "D" Bonds and the coupons, if any, surrendered will be cancelled; that, except as aforesaid, no other exchange of Series "D" Bonds be permitted unless the consent of the Corporation has been obtained;

THAT the payment in principal and interest of the Series "D" Bonds be secured by the cession and the transfer to the Trustee, for the exclusive benefit of the holders of the Series "D" Bonds, of the subsidy in the amount of seven million eight hundred and seventy-five thousand dollars (\$7,875,000) granted to the Corporation in virtue of Order-in-Council 479-83, dated March 17, 1983, and of all the rights of the Corporation deriving therefrom;

THAT the draft of the Third Supplementary Trust Agreement supplemental to the Principal Trust Agreement and to the two Supplementary Trust Agreements, bearing formal date of March 22, 1983, drafted for execution by the Corporation in favour of the Trustee, for the purpose of providing for the creation and issue of five million dollars (\$5,000,000), principal amount, of Series "D" Bonds, and which has been submitted to this Meeting and examined by it, be and it is hereby approved and that an agreement in the form or substantially in the form of the Third Supplementary Trust Agreement, with such amendments and

modifications as the Chancellor or a Vice-Rector or a member of the Board with the Rector and Vice-Chancellor or the Secretary or another member of the Board may deem expedient, as well as all other supplementary agreements to the said Third Supplementary Trust Agreement, to give effect to the latter, if necessary, be executed for and in the name of the Corporation, by the Chancellor or a Vice-Rector or a member of the Board with the Rector and Vice-Chancellor or the Secretary or another member of the Board, and the Corporation's seal affixed thereto, and that the approval by the Chancellor or a Vice-Rector or a member of the Board with the Rector and Vice-Chancellor or the Secretary or another member of the Board of any amendment or modification of the Third Supplementary Trust Agreement be proved conclusively by their signature on the said Third Supplementary Trust Agreement;

THAT the Chancellor or a Vice-Rector or a member of the Board with the Rector and Vice-Chancellor or the Secretary or another member of the Board be and they are hereby authorized and required, for and in the name of the Corporation, to sign, execute and deliver all other documents, instruments and writings or to take all such other steps and do all such other things as they may deem in their discretion necessary, desirable or useful for the purposes of giving effect to this resolution and to the Third Supplementary Trust Agreement;

THAT the net proceeds from the sale of the 11.50% Series "D" Bonds and the accrued interest, if any, be remitted to the Trustee to be invested, as the case may be, according to the provisions of Chapter 8 of the Principal Trust Agreement; such net proceeds with accrued interest, if any, and any interest from such investments by the Trustee must be used by the Corporation, for its benefit, upon remittance to the Trustee of a written requisition in each case of the Chancellor or a Vice-Rector or a member of the Board with the Rector and Vice-Chancellor or the Secretary or another member of the Board and also upon written authorization for each requisition of the ministre de l'Education ou le sous-ministre ou l'un des sousministres associés ou l'un des sous-ministres adjoints ou d'un fonctionnaire du ministère de l'Education dûment autorisé à cette fin;

THAT the draft of the Third Supplementary Trust Agreement contain the following provisions:

"The Corporation hereby covenants that, so long as there are Series "D" Bonds outstanding:

- if, after the formal date of the present Supplementary Trust Agreement, it should secure any bond or obligation by mortgage or hypothec or other charge on one or another of its Capital Assets Serving Directly for Educational Purposes, it will give the benefit of the same security, equally and ratably, to the Series M" Bonds and to all other Bonds, if any, issued and outstanding under the Principal Trust Agreement;
- it will not issue bonds or any other securities (exclusive, however, of any notes or any other evidences of indebtedness in respect of bank loans in the ordinary course of business) if the issue thereof would result in the total amount of its outstanding bonds and other securities exceeding that of its Tangible Assets.

The following words and expressions, when used in these presents, will have the following meaning:

- "Capital Assets Serving Directly for Educational Purposes" means all the immovable properties owned by the Corporation and appearing under the heading of fixed or capital assets on its balance sheet as drawn up by its auditors in accordance with generally accepted accounting principles, excluding immovable property used as parking lots or student residences, the social centre as well as any other immovable property of the Corporation used for similar purposes;
- "Tangible Assets" means the higher of the book value before depreciation of all the assets shown on the asset side of the balance sheet of the market value of such assets (as determined in a manner satisfactory to the Trustee by a professional appraiser, an engineer, an architect or another person knowledgeable in the matter who may be a person in the employment of the Corporation with the approval of the Trustee) after deducting therefrom the amounts entered in the following asset accounts: goodwill, patents, copyrights and other intangible or incorporeal assets of an analogous or similar nature, as well as the unamortized balance of all expenses, commissions, premiums or discounts having to do with an issue of bonds or other securities of the Corporation.

Notwithstanding the above-mentioned provisions, the Corporation will be entitled to pledge, give as security, assign, cede and transfer, for the exclusive benefit of the holders of a particular series of bonds or debentures, any subsidy it may obtain from the gouvernement du Québec without having to comply with the foregoing provisions."

Aloysius Graham, S.J.,
Secretary